

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION**

IN RE:	§	
	§	
DEEPROOT CAPITAL MANAGEMENT, LLC, ET AL., <sup>1</sup>	§	BANKRUPTCY No. 21-51523-MMP
	§	LEAD CASE
DEBTORS.	§	JOINTLY ADMINISTERED

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IN RE:	§	
	§	
DEEPROOT FUNDS, LLC	§	BANKRUPTCY No. 21-51521
	§	
DEBTOR.	§	JOINTLY ADMINISTERED

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**TRUSTEE’S MOTION TO EXPEDITE HEARING ON  
TRUSTEE’S MOTION TO APPROVE (A) SALE OF PROPERTY OF THE ESTATE OF DEEPROOT FUNDS,  
LLC, (B) SALE PROCEDURES IN CONNECTION WITH THE SALE OF PROPERTY OF THE ESTATE OF  
DEEPROOT FUNDS, LLC, AND (C) THE FORM OF NOTICE FOR THE SALE OF PROPERTY OF THE  
ESTATE OF DEEPROOT FUNDS, LLC [RELATING TO ECF No. 147]**

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TO THE HONORABLE MICHAEL M. PARKER, UNITED STATES BANKRUPTCY JUDGE:

John Patrick Lowe, Chapter 7 Trustee of the above captioned jointly administered bankruptcy estates (“**Trustee**”), on behalf of deeproot Funds, LLC, a jointly administered debtor (the “**Debtor**”) in the above captioned case (the “**Case**”), by and through its counsel Pulman, Cappuccio & Pullen, LLP, hereby files *Trustee’s Motion to Expedite Hearing on Trustee’s Motion to Approve (A) Sale of Property of the Estate of deeproot Funds, LLC, (B) Sale Procedures in Connection with the Sale of Property of*

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<sup>1</sup> The jointly administered chapter 7 cases, along with their respective case numbers and the last four digits of each Debtor's federal tax identification number, are: In Re: Policy Services, Inc. 21-51513 (2864), In Re: Wizard Mode Media, LLC, 21-51514 (3205), In Re: deeproot Pinball LLC, 21-51515 (0320), In Re: deeproot Growth Runs Deep Fund, LLC, 21-51516 (8046), In Re: deeproot 575 Fund, LLC, 21-51517 (9404), In Re: deeproot 3 Year Bonus Income Debenture Fund, LLC, 21-51518 (7731), In Re: deeproot Bonus Growth 5 Year Debenture Fund, LLC, 21-51519 (9661), In Re: deeproot Tech LLC, 21-51520 (9043), In Re: deeproot Funds LLC, 21-51521 (9404), In Re: deeproot Studios LLC, 21-51522 (6283), and In Re: deeproot Capital Management, LLC, 21-51523 (2638), each an “**Estate**” and collectively, the “**Estates**”.

*the Estate of deeproot Funds, LLC, and (C) the Form of Notice for the Sale of Property of the Estate of deeproot Funds, LLC* (the “**Expedite Motion**”), seeking an expedited hearing on the *Trustee’s Motion to Approve (A) Sale of Property of the Estate of deeproot Funds, LLC, (B) Sale Procedures in Connection with the Sale of Property of the Estate of deeproot Funds, LLC, and (C) the Form of Notice for the Sale of Property of the Estate of deeproot Funds, LLC* [ECF No. 147] (the “**Sale and Procedure Motion**”).

In support of the Expedite Motion, Trustee respectfully represents as follows:

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The Court has the constitutional authority to enter a final order under *Stern v. Marshall*, 564 U.S. 462 (2011), and its progeny. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408-1409.

2. Trustee is moving to sell certain personal property of the Estate of deeproot Funds, LLC, one of the jointly administered Debtors (“Debtor”), described as follows:

Promissory Note dated November 20, 2018, in the original principal sum of \$3,350,000 (the “**Note**”), executed by CCW Braun Heights, LLC (“**Purchaser**” and/or “**CCW**”), as maker, and payable to the order of Debtor. Payment of the Note is secured by a lien on certain real property located at 10670 Bandera, San Antonio, Texas 78250 (the “**Property**”) pursuant to a certain Subordinated Second Lien Deed of Trust of even date with the Note (the “**Deed of Trust**”), executed by Debtor, as lender, and by CCW, as grantor, and recorded in the official public records of Bexar County, Texas. A copy of the Note and a copy of the Deed of Trust are attached hereto as **Exhibit A**, and **Exhibit B**, respectively.<sup>2</sup>

3. The Estate of the Debtor is the holder and payee of the Note in the original principal sum of \$3,350,000, executed by CCW Braun Heights, LLC, as maker, and payable to the order of Debtor. To the best of Trustee’s information and belief, as of April 30, 2022, the Note had balance of principal

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<sup>2</sup> All of the Exhibits to this Motion are being filed with the Court. In order to reduce the copying and postage expense of serving this Sale Motion, copies of the Exhibits are not being served on all of the parties in interest identified in the mailing list. A party in interest who requires copies of the Exhibits is directed to please contact MaryAnn Villa, Legal Assistant, Pulman Cappuccio & Pullen, LLP, Tel: (210) 222-9494 Ext. 121, Email: mvilla@pulmanlaw.com.

plus accrued interest in an amount equal to approximately \$2,027,964.73. Payment of the Note is secured by a second lien on the Property pursuant to the Deed of Trust.

4. The Trustee has been approached by CCW with an offer to purchase the Note, free and clear of all liens and encumbrances, for the purchase price of \$1,000,000 (the “**Purchase Price**”). In the exercise of his best business judgment, the Trustee has determined that entering into a Note Purchase and Sale Agreement (the “**Purchase Agreement**”) with CCW as purchaser, is in the best interests of the Debtor’s Bankruptcy Estate. Purchaser has transferred into Trustee’s counsel’s IOLTA account an earnest money deposit in the amount of \$100,000.00 (the “**Deposit**”) to be applied against the Purchase Price.

5. The Purchaser has advised Trustee that Purchaser has obtained a commitment from a commercial lender for a loan, the proceeds from which will in part be used by Purchaser to fund a portion of the Purchase Price. Because a commercial lender is involved, the Purchaser has requested Trustee to expedite the sale of the Note.

6. The Trustee seeks an expedited hearing on the Sale and Procedure Motion on Monday, September 12, 2022, in order to expedite the sale procedures process and set certain deadlines so that the Note may be sold as expeditiously as possible so as to avoid jeopardizing Purchaser’s ability to close on its commercial loan and on the sale of the Note.

7. Based on the foregoing, Trustee believes there is good and sufficient cause to consider the Sale and Procedure Motion on an expedited basis.

WHEREFORE, Debtor respectfully requests that the Court enter an Order setting an expedited hearing on the *Trustee’s Motion to Approve (A) Sale of Property of the Estate of deeproot Funds, LLC, (B) Sale Procedures in Connection with the Sale of Property of the Estate of deeproot Funds, LLC, and (C) the Form of Notice for the Sale of Property of the Estate of deeproot Funds, LLC*, for September 12,

2022, or some other date convenient for the Court. The Trustee also requests such other and further relief as is just and proper.

Respectfully submitted,

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By: /s/ Randall A. Pulman  
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**ATTORNEYS FOR JOHN PATRICK LOWE,  
CHAPTER 7 TRUSTEE**

**CERTIFICATE OF CONFERENCE**

I certify that, on September 6, 2022, I contacted counsel to the debtor and to the United States Trustee by email regarding this Expedite Motion and they do not oppose an expedited setting on the Sale and Procedure Motion.

/s/ W. Drew Mallender  
W. Drew Mallender

**CERTIFICATE OF SERVICE**

I hereby certify that on the 8th day of September, 2022, I electronically filed the foregoing document using the CM/ECF system, which will serve the document on the following list of parties in interest and parties requesting notice..

**Via Counsel CM/ECF:**

**[catherine.curtis@wickphillips.com](mailto:catherine.curtis@wickphillips.com)**

**[jason.rudd@wickphillips.com](mailto:jason.rudd@wickphillips.com)**

Policy Services, Inc.

deeproot Pinball, LLC

deeproot Growth Runs Deep Fund, LLC

deeproot 575 Fund, LLC

deeproot 3 Year Bonus Income Fund, LLC

deeproot BonusGrowth 5 Year Debenture Fund, LLC

deeproot Tech, LLC

deeproot Funds, LLC

deeproot Studios, LLC

deeproot Capital Management, LLC

12621 Silicon Dr.

San Antonio, TX 78249

**Via Counsel Via CM/ECF:**

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**[jason.rudd@wickphillips.com](mailto:jason.rudd@wickphillips.com)**

Wizard Mode Media, LLC

12227 S. Business Park Drive, Suite 130

Draper, UT 84020

**Via CM/ECF: [pat.lowe.law@gmail.com](mailto:pat.lowe.law@gmail.com)**

John Patrick Lowe

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Uvalde, TX 78801

**Via CM/ECF:**

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**[Aubrey.thomas@usdoj.gov](mailto:Aubrey.thomas@usdoj.gov)**

United States Trustee - SA12

US TRUSTEE'S OFFICE (Aubrey Thomas)

615 E Houston, Suite 533

San Antonio, TX 78295-1539

**Via CM/ECF: [don.stecker@lgbs.com](mailto:don.stecker@lgbs.com)**

Don Stecker

Linebarger Goggan et al.

112 E. Pecan, Suite 2200

San Antonio, TX 78205

**Via CM/ECF: [rbattaglia@outlook.com](mailto:rbattaglia@outlook.com)**

Raymond W. Battaglia

LAW OFFICES OF RAY BATTAGLIA, PLLC

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San Antonio, TX 78218

**Via CM/ECF: [jpetree@mcslaw.com](mailto:jpetree@mcslaw.com)**

Jonathan Petree

MCGUIRE, CRADDOCK & STROTHER, P.C.

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Dallas, TX 75201

**Via CM/ECF: [jdunne@smfadlaw.com](mailto:jdunne@smfadlaw.com)**

John C. Dunne

SHANNON, MARTIN et al.

1001 McKinney Street #1100

Houston, TX 77002

**Via CM/ECF: [bk-cmurphy@oag.texas.gov](mailto:bk-cmurphy@oag.texas.gov)**

Texas Workforce Commission

c/o Christopher S. Murphy

TEXAS ATTORNEY GENERAL'S OFFICE

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Austin, TX 78711

**Via CM/ECF: [pautry@branscomblaw.com](mailto:pautry@branscomblaw.com)**

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4630 N. Loop 1604 West, Suite 206  
San Antonio, TX 78249

**Via CM/ECF: [lmjurek@jureklaw.com](mailto:lmjurek@jureklaw.com)**

Lynne M. Jurek  
THE JUREK LAW GROUP, PLLC  
4309 Yoakum Blvd.  
Houston, TX 77006

/s/Randall A. Pulman

Randall A. Pulman

# **EXHIBIT A**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION**

IN RE:	§	
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DEEPROOT CAPITAL MANAGEMENT, LLC, ET AL., <sup>1</sup>	§	
	§	BANKRUPTCY No. 21-51523-MMP
	§	LEAD CASE
DEBTORS.	§	JOINTLY ADMINISTERED

---

IN RE:	§	
	§	
DEEPROOT FUNDS, LLC	§	BANKRUPTCY No. 21-51521
	§	
DEBTOR.	§	JOINTLY ADMINISTERED

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**ORDER GRANTING TRUSTEE’S MOTION TO EXPEDITE HEARING ON  
TRUSTEE’S MOTION TO APPROVE (A) SALE OF PROPERTY OF THE ESTATE OF DEEPROOT  
FUNDS, LLC, (B) SALE PROCEDURES IN CONNECTION WITH THE SALE OF PROPERTY OF THE  
ESTATE OF DEEPROOT FUNDS, LLC, AND (C) THE FORM OF NOTICE FOR THE SALE OF  
PROPERTY OF THE ESTATE OF DEEPROOT FUNDS, LLC  
OF THE ESTATE OF POLICY SERVICES, INC.**

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<sup>1</sup> The jointly administered chapter 7 cases, along with their respective case numbers and the last four digits of each Debtor's federal tax identification number, are: In Re: Policy Services, Inc. 21-51513 (2864), In Re: Wizard Mode Media, LLC, 21-51514 (3205), In Re: deeproot Pinball LLC, 21-51515 (0320), In Re: deeproot Growth Runs Deep Fund, LLC, 21-51516 (8046), In Re: deeproot 575 Fund, LLC, 21-51517 (9404), In Re: deeproot 3 Year Bonus Income Debenture Fund, LLC, 21-51518 (7731), In Re: deeproot Bonus Growth 5 Year Debenture Fund, LLC, 21-51519 (9661), In Re: deeproot Tech LLC, 21-51520 (9043), In Re: deeproot Funds LLC, 21-51521 (9404), In Re: deeproot Studios LLC, 21-51522 (6283), and In Re: deeproot Capital Management, LLC, 21-51523 (2638), each an “Estate” and collectively, the “Estates”.



On this day came to be heard the *Trustee's Motion to Expedite Hearing on Trustee's Motion to Approve (A) Sale of Property of the Estate of deeproot Funds, LLC, (B) Sale Procedures in Connection with the Sale of Property of the Estate of deeproot Funds, LLC, and (C) the Form of Notice for the Sale of Property of the Estate of deeproot Funds, LLC* (the "**Expedite Motion**"), seeking an expedited hearing on the *Trustee's Motion to Approve (A) Sale of Property of the Estate of deeproot Funds, LLC, (B) Sale Procedures in Connection with the Sale of Property of the Estate of deeproot Funds, LLC, and (C) the Form of Notice for the Sale of Property of the Estate of deeproot Funds, LLC* (the "**Sale and Procedure Motion**"). After reviewing the pleadings and representation of counsel, this Court is of the opinion that the Expedite Motion should in all things be GRANTED.

It is, therefore, ordered that an expedited hearing on the Trustee's Sale and Procedure Motion shall be set for the date and time set forth above.

Trustee's counsel shall be responsible for sending notice of the expedited hearing.

# # #

**Submitted by:**

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**ATTORNEYS FOR JOHN PATRICK LOWE,  
CHAPTER 7 TRUSTEE**